

**A SUBSTITUTE RESOLUTION
BY TRANSPORTATION COMMITTEE**

06-R-1674

A RESOLUTION AUTHORIZING THE MAYOR TO EXECUTE A LEASE AGREEMENT WITH THE UNITED STATES OF AMERICA, ON BEHALF OF THE DEPARTMENT OF AVIATION, FOR THE TRANSPORTATION SECURITY ADMINISTRATION TO USE 13,287 SQUARE FEET OF OFFICE SPACE AT HARTSFIELD-JACKSON ATLANTA INTERNATIONAL AIRPORT; AND FOR OTHER PURPOSES.

WHEREAS, the United States of America's ("USA") Transportation Security Administration ("TSA") has the responsibility to screen all airline passengers and their baggage; and

WHEREAS, in order to fulfill its responsibilities, the TSA requires the use of office space at the City of Atlanta's ("City") Hartsfield-Jackson Atlanta International Airport ("Airport"); and

WHEREAS, the Aviation General Manager has identified certain space consisting of 13,287 square feet, Exhibit A attached, which will fulfill TSA's need for office space at the Airport, and the USA desires to enter into a lease agreement with the City for such space; and

WHEREAS, the TSA currently leases 3,200 square feet of the 13,287 square feet of office space at the Airport with an expiration date of November 30, 2006, which would be terminated as of the effective date of the proposed lease; and

WHEREAS, the Aviation General Manager believes that it is in the best interest of the Airport and the City to enter into a lease with the USA and recommends the execution of such an Agreement.

THE CITY COUNCIL OF THE CITY OF ATLANTA, GEORGIA, HEREBY RESOLVES, that the Mayor is authorized to execute an appropriate Agreement with the United States of America ("USA") which shall contain the following terms, conditions, and provisions:

- 1) A term of five (5) years with three (3) five (5) year renewal options; and
- 2) A rental amount during the first year of \$95,984. The rental for the 9,988 square feet of newly constructed space would, per Federal regulations, remain fixed during all renewal periods. The rental for the remaining 3,200 square feet would be adjusted annually upon renewal to the then current published rate for that class of space. The USA would also pay its prorata share of Maintenance and Operations expenses associated with the space; and
- 3) Such other terms, conditions, and provisions as may be required by City ordinances or Federal regulations or which are otherwise deemed appropriate by the Aviation General Manager.

BE IT FURTHER RESOLVED, that the City Attorney is directed to prepare an appropriate Agreement for execution by the Mayor.

BE IT FINALLY RESOLVED, that the Agreement will not become binding upon the City and the City will incur no obligation nor liability under it until it has been executed by the Mayor, attested to by the Municipal Clerk, approved by the City Attorney as to form and delivered to the USA.

City of Atlanta
Department of Aviation
Hartsfield Atlanta International Airport

Properties Division

LEGISLATION WHITE PAPER

Council Meeting Date: **September 5, 2006**

Legislation Title: **A RESOLUTION AUTHORIZING THE MAYOR TO EXECUTE A LEASE AGREEMENT WITH THE UNITED STATES OF AMERICA, ON BEHALF OF THE DEPARTMENT OF AVIATION, FOR THE TRANSPORTATION SECURITY ADMINISTRATION TO USE 13,287 SQUARE FEET OF OFFICE SPACE AT HARTSFIELD-JACKSON ATLANTA INTERNATIONAL AIRPORT; AND FOR OTHER PURPOSES.**

Justification Statement: The TSA has been given the responsibility by the Federal Government to screen all airline passengers and their baggage. To enable the TSA to screen all of the baggage, the DOA and the TSA have been working together on the "Hold Bag Screening" ("HBS") Project for several months. That project included the construction of new space on the North and South Terminal Apron Levels of the Airport. CTX machines which will be used to screen baggage have been placed in the new space. The entire cost of the new space and the new CTX machines has been paid for with grants from the TSA and Passenger Facility Charges ("PFCs").

In order to screen all of the baggage and passengers, the TSA requires the use of some office space at the Airport. Some of the space needed by the TSA is in the newly constructed area which is very close to the new CTX screening machines.

This Legislation would authorize the Mayor or her Designee to execute a Lease Agreement with TSA for space at the Airport. The lease would be for five years with 3 five year renewal options. The rentals for all of the various covered spaces would be composed of a base rental rate and a charge for the maintenance and operations

("M&O") expenses associated with that particular space. The base rental rates for the previously existing space will be at the established, published rate which changes from time to time. Those base rates are subject to change to the then current published rates at the beginning of each renewal period. The base rate for the new space would remain the same through the end of the renewal periods. The base rate for the new space is based on the recovery of the PFC charges spent on the space over the term of the lease (including renewals) at 6.5% interest. The M&O expenses associated with all of the space will be modified annually upon renewal. The first year's M&O expense charge will be \$238,644 (\$17.96 psf). The rate for the new space (N) and the current rates for the previously existing space are shown below. TSA will accept the space in "as is" condition.

Location	Level	Area (sq. ft.)	Rate per sq. ft.	Annual Rental
N.Terminal (N)	Apron	5,927.39	\$ 2.32	\$ 13,761.09
S. Terminal (N)	Apron	4,060.26	\$ 2.32	\$ 9,426.35
Concourse T	Third	2,295.90	\$ 17.50	\$ 40,178.25
N. Terminal	Ticketing	895.47	\$ 32.50	\$ 29,102.77
N. Terminal	Ticketing	<u>108.18</u>	\$ 32.50	<u>\$ 3,515.85</u>
	Totals	13,287.20		\$ 95,984.31

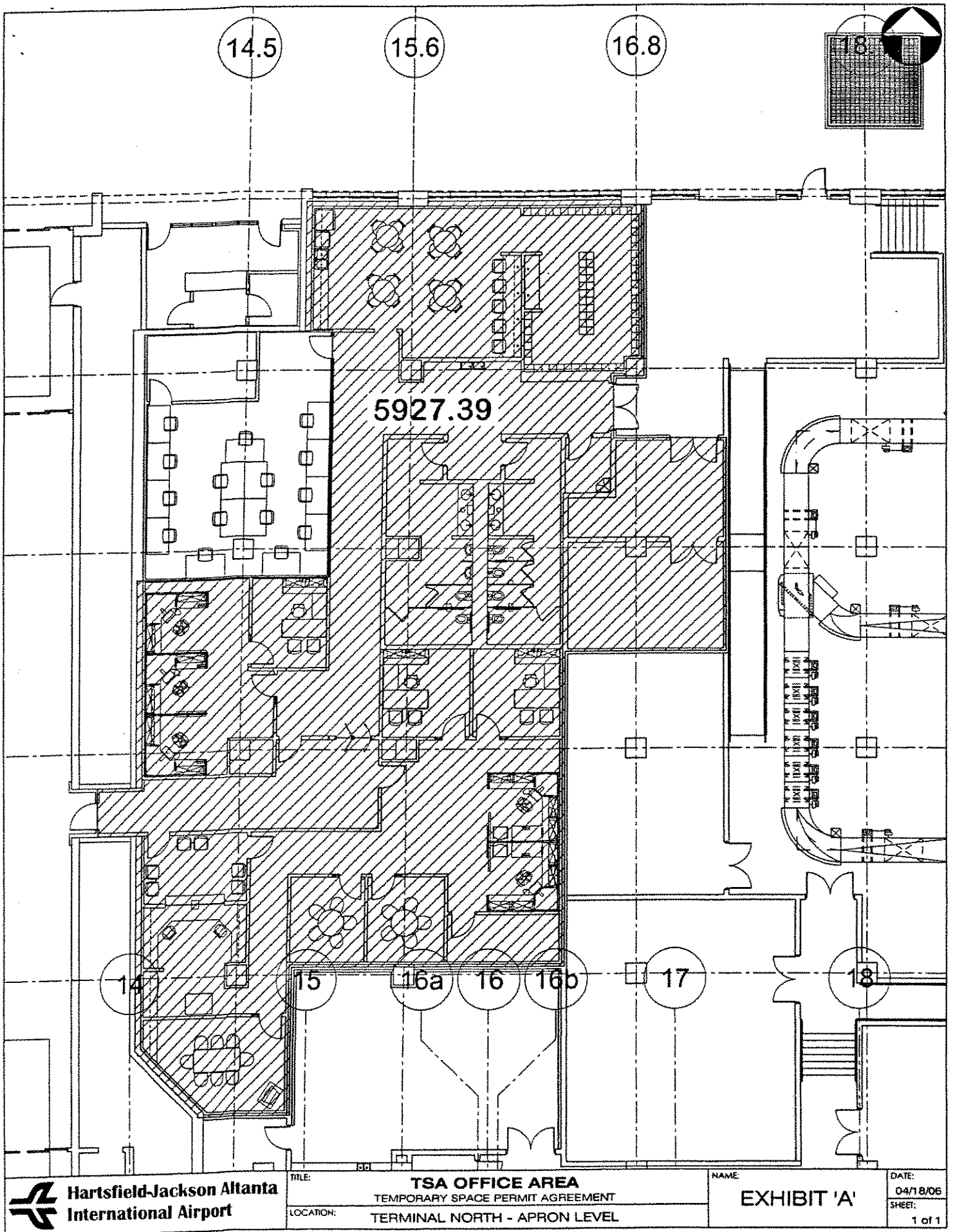
(N) New space

The 3,300 square feet of space which is not new is currently leased to the TSA under a lease with an expiration date of November 30, 2006. That lease would be cancelled as of the effective date of the proposed lease.

The proposed lease would be cancellable by either party on 90 days notice. In order for the City to cancel the lease prior to its expiration, the City would have to show that the space is needed for an aviation related purpose and provide alternative space to the TSA.

Method of Cost Recovery: N/A

Prepared By: Bill Murphy



**Hartsfield-Jackson Atlanta
International Airport**

TITLE:

TSA OFFICE AREA

TEMPORARY SPACE PERMIT AGREEMENT

LOCATION:

TERMINAL NORTH - APRON LEVEL

NAME:

EXHIBIT 'A'

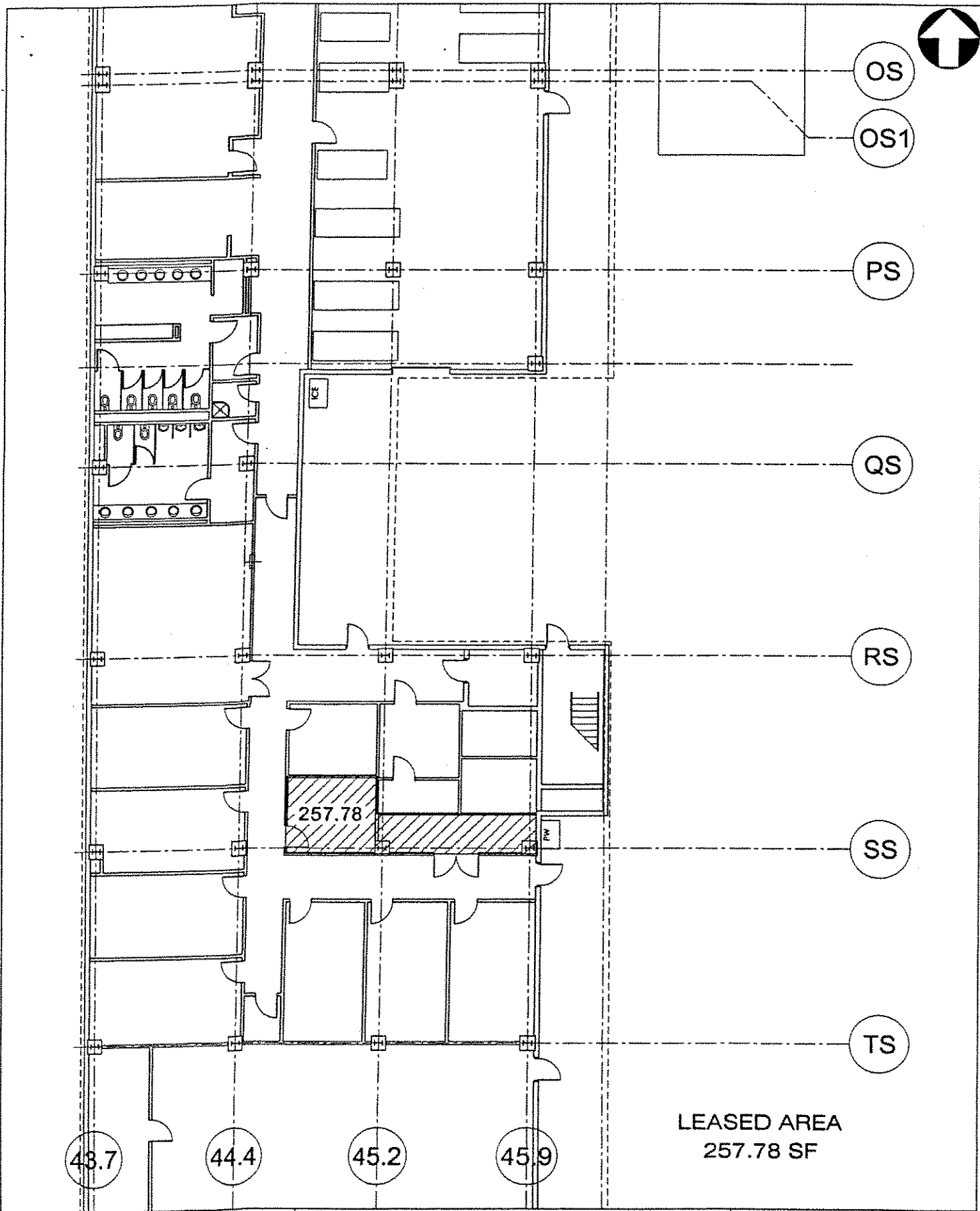
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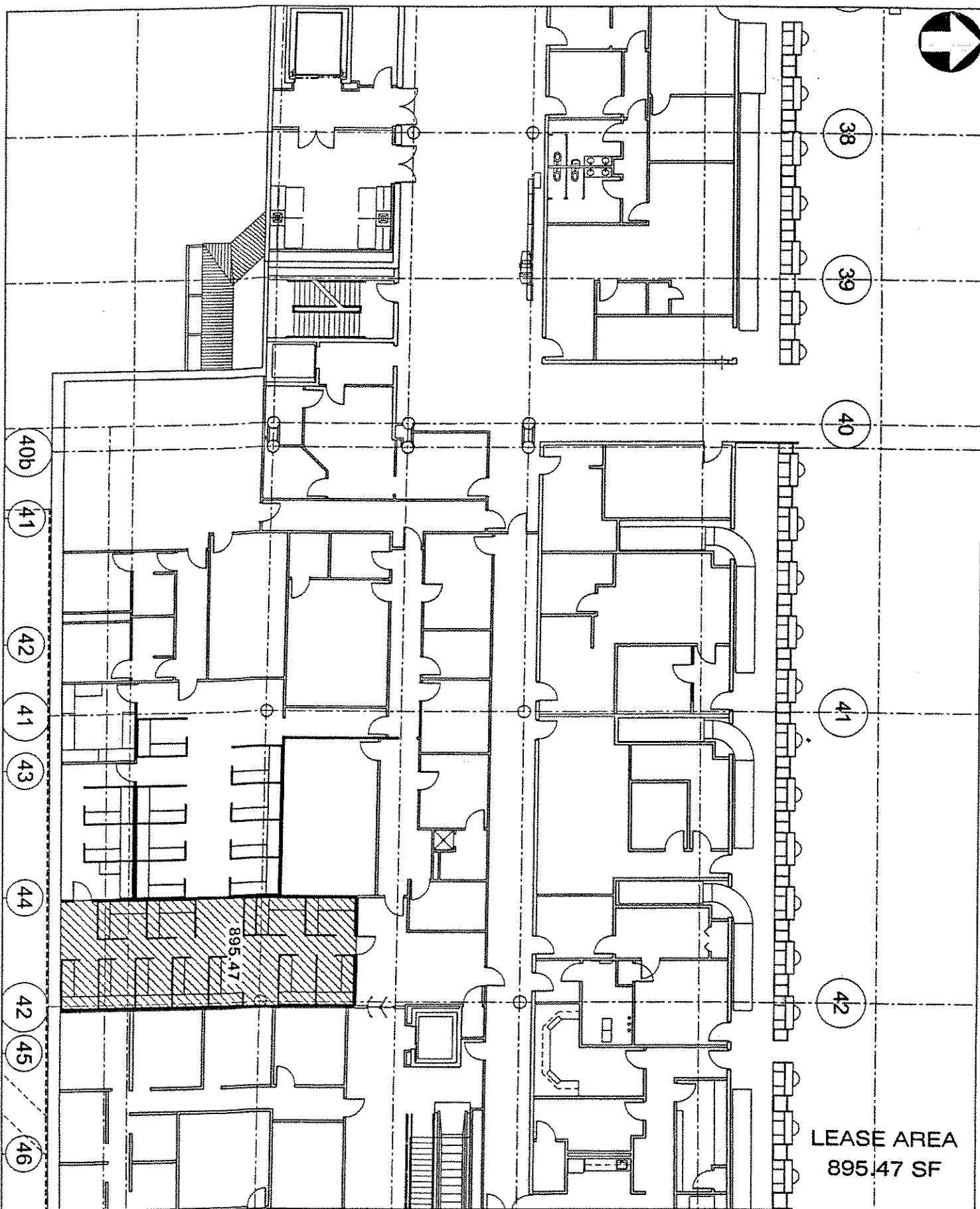
04/18/06

SHEET:

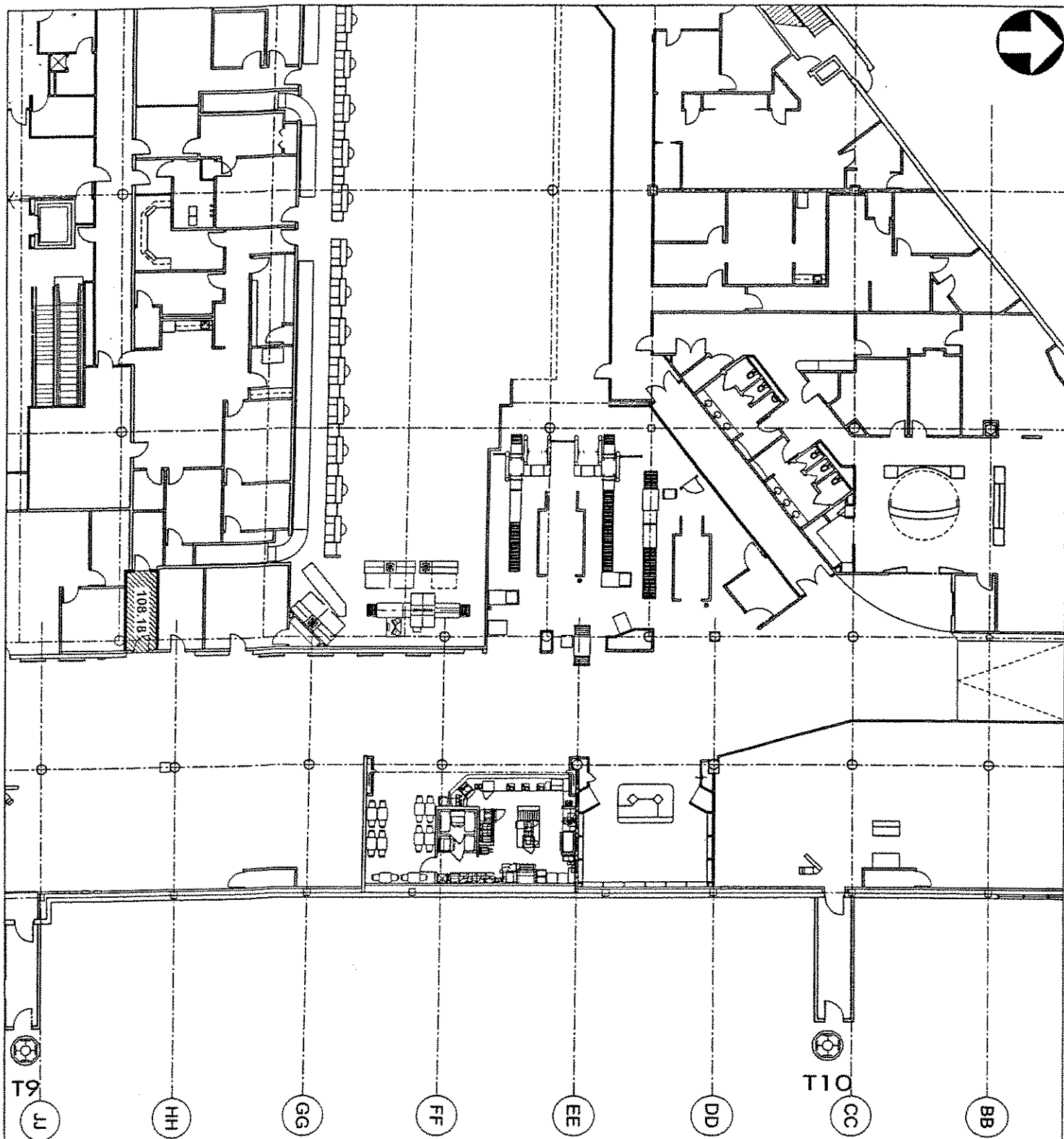
1 of 1







LEASE AREA
895.47 SF



LEASED AREA
108.18 SF



**Hartsfield-Jackson Atlanta
International Airport**

TITLE:

TSA OFFICES
OPTC PERMIT AGREEMENT

LOCATION:

TERMINAL NORTH - TICKETING LEVEL

NAME:

EXHIBIT 'A'

DATE:

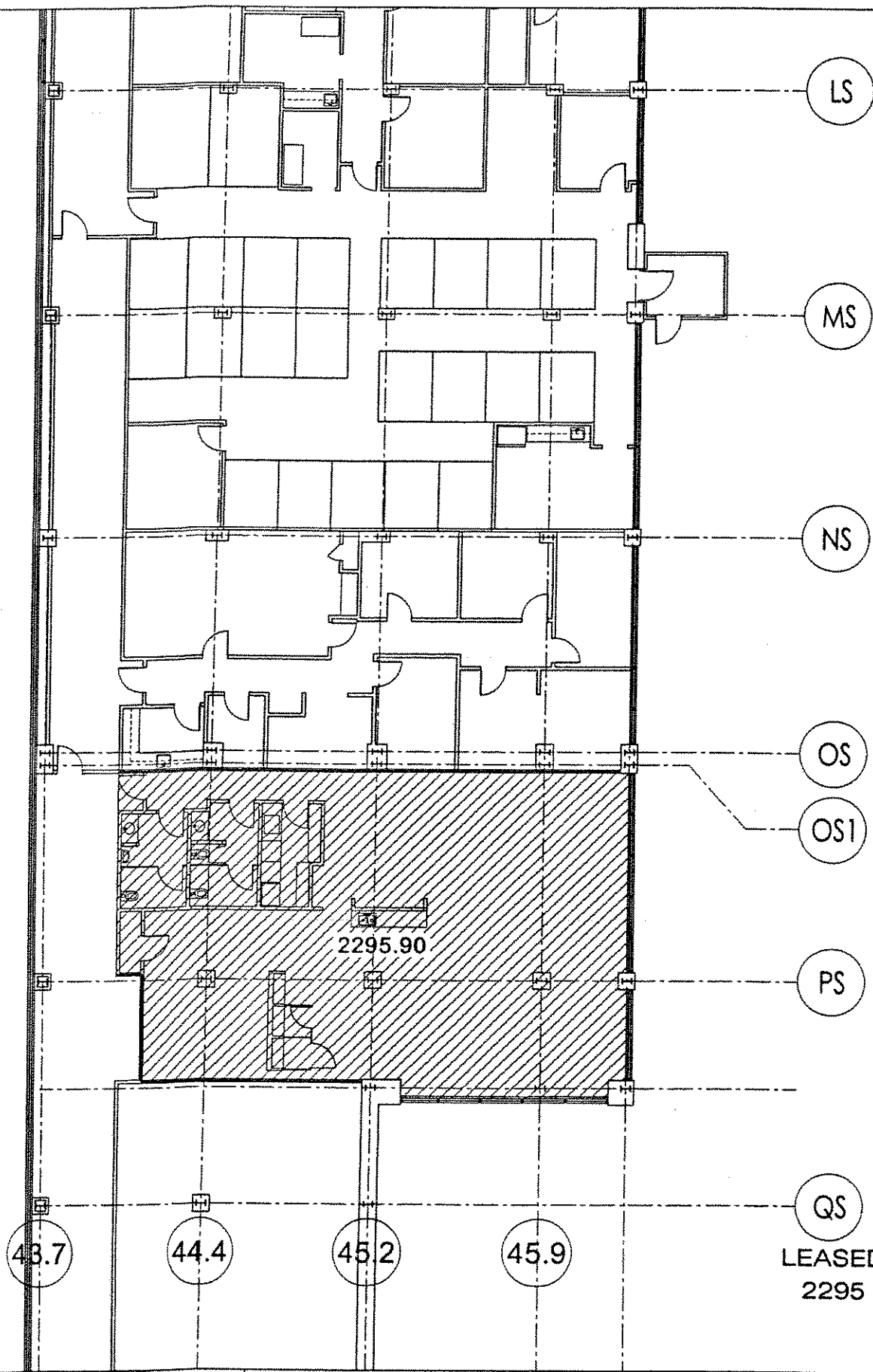
12/12/05

SHEET:

5 of 6



T4



LEASED AREA
2295 90 SF



Hartsfield-Jackson Atlanta
International Airport

TITLE: **TSA OFFICES**
OPTC PERMIT AGREEMENT
LOCATION: **CONCOURSE T - THIRD LEVEL**

NAME: **EXHIBIT 'A'**

DATE: 12/12/05
SHEET: 6 of 6

TRANSMITTAL FORM FOR LEGISLATION

TO: MAYOR'S OFFICE

ATTN: GREG PRIDGEON

Legislative Counsel (Signature): Megan S. Middleton Megan S. Middleton

Contact Number: 6207

Originating Department: Aviation

Committee(s) of Purview: Transportation

Council Deadline: July 31, 2006

Committee Meeting Date(s): Aug. 16, 2006 Full Council Date: Aug. 21, 2006

Commissioner Signature MM [Signature]

CAPTION

A RESOLUTION AUTHORIZING THE MAYOR TO EXECUTE A LEASE AGREEMENT WITH THE UNITED STATES OF AMERICA, ON BEHALF OF THE DEPARTMENT OF AVIATION, FOR THE TRANSPORTATION SAFETY ADMINISTRATION TO USE 13,545 SQUARE FEET OF OFFICE SPACE AT HARTSFIELD-JACKSON ATLANTA INTERNATIONAL AIRPORT; AND FOR OTHER PURPOSES.

FINANCIAL IMPACT (if any) \$00.00

Mayor's Staff Only

Received by Mayor's Office: 8.1.06 [Signature] Reviewed by: [Signature]
(date)

Submitted to Council: 8/1/06
(date)